

# BELLSOUTH

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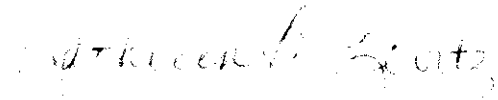
This is to inform you that on September 27, 2002, Charlie Howorth, Jerry Jones, Guy Hicks, Glenn Reynolds, and I met with members of the FCC staff to discuss the efforts of the Tennessee Regulatory Authority ("TRA") to facilitate competition in Tennessee and to present an overview of the state of competition in Tennessee. FCC staff attending that meeting included: Greg Cooke; Christine Newcomb; Jeff Dygert; Laurel Bergold; Craig Stroup; Josh Swift, Monica Desai; Rodney McDonald; Cara Grayer; John Minkoff; Denise Coca; Ruth Yodaiken and Shannon Liff. On that same day we had a similar discussion with members of the Department of Justice's Telecommunications Task Force, including Luin Fitch, Brent Marshall, and Deborah Roy. At both meetings, the attached documents and TRA decisions already included in the record formed the basis for the presentations made.

No. 44,045 1000  
1914

012

In accordance with Section 1.1206, I am filing two copies of this notice and attachments and request that you place them in the record of the proceeding identified above. Thank you.

Sincerely,



Kathleen B. Levitz

Attachment

cc	Greg Cooke (w/o attachment)	John Minkoff (w/o attachment)
	Denise Coca (w/o attachment)	Ruth Yodaiken (w/o attachment)
	Shannon Liff (w/o attachment)	Janice Myles
	Christine Newcomb (w/o attachment)	Jeff Dygert (w/o attachment)
	Laurel Bergold (w/o attachment)	Craig Stroup (w/o attachment)
	Josh Swift, (w/o attachment)	Monica Desai (w/o attachment)
	Rodney McDonald (w/o attachment)	Cara Grayer (w/o attachment)
	James Davis-Smith	Luin Fitch (w/o attachment)
	Sara Kyle	Beth Keating

## **BellSouth Overview**

**September 27, 2002**

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TAB 9

**Operational Support Systems Docket**

- Overview
- TRA Final Order Approving Settlement Agreement
- TRA Order on Reconsideration

## TAB 1

### OVERVIEW OF BELL SOUTH SERVICE AREA IN TENNESSEE

BellSouth serves approximately 60 percent of the geographic area of Tennessee and provides about 2.5 million retail access lines, or approximately 80% percent of the lines in the state. BellSouth currently provides service in four of the five Tennessee Local Access and Transport Areas (LATAs) located within the state, as well as several cross-boundary areas located in six LATAs that are in adjoining states. BellSouth has invested over \$2 billion in capital within Tennessee since 1996.

The Memphis, Nashville, Knoxville and Chattanooga LATAs comprise the bulk of the geographic area served by BellSouth. The attached map of Tennessee shows the service areas for all incumbent local service providers, including BellSouth.

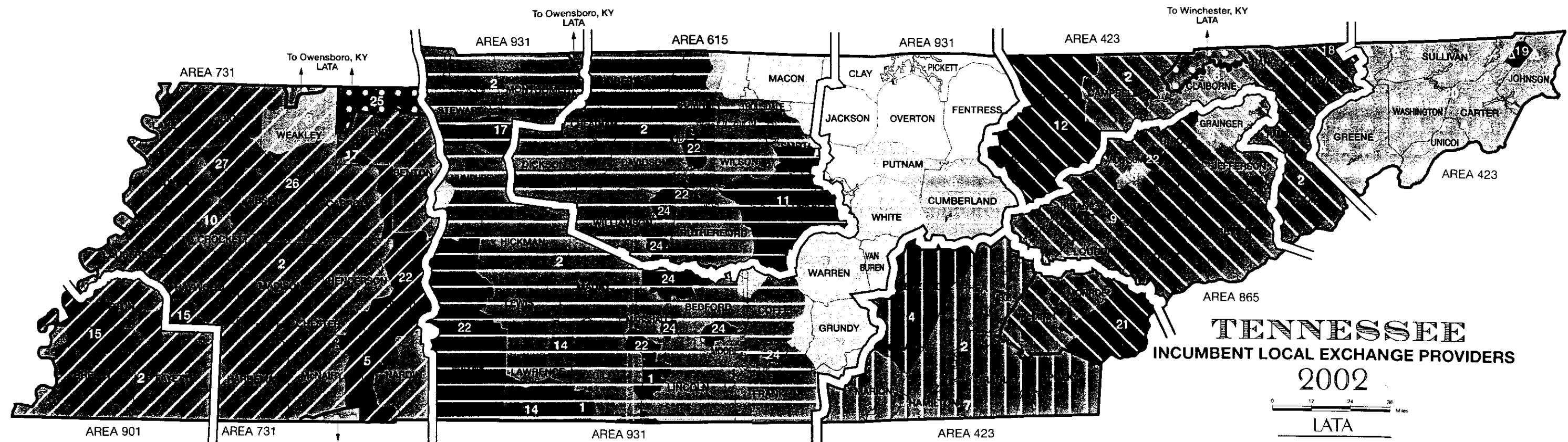
Tennessee has three distinct geographies, from the Smoky Mountains in the east to the rolling hills of Middle Tennessee, to the flat lands of West Tennessee.

The Knoxville LATA in East Tennessee is a high-tech area, home to The University of Tennessee in Knoxville and the Oak Ridge National Laboratory at Oak Ridge. The LATA is also a tourist mecca centered around the Great Smoky Mountain National Park, the most-visited National Park in the U.S.

The Chattanooga LATA, in the southeast region of the state, is known for its transportation center and for its manufacturing and educational institutions, including world headquarters and regional facilities for several religious denominations. The largest employers in the area include the Tennessee Valley Authority, McKee Baking Company, Dupont and the Hamilton Place Mall.

The Nashville LATA, in Middle Tennessee, stretches from the Cumberland Plateau in the east to the Tennessee River in the west, and from Kentucky on the north to Georgia and Mississippi on the south. Nashville, the state capital, is home to the business, financial and legal industries that support the business of government. Middle Tennessee is a well-known center of music and book publishing. It is also home to the largest for-profit health care system in the U.S. and one of the largest not-for-profit health care systems. In recent years, Middle Tennessee has become associated with the automobile industry, including Nissan, Saturn and Bridgestone-Firestone. Dell Computer most recently established its second corporate manufacturing and distribution center in Middle Tennessee.

The Memphis LATA serves 20 counties between the Tennessee River and the Mississippi River, from Kentucky to Mississippi. Much of the area is rural and agricultural. The City of Memphis is a major distribution center, with corporate headquarters for FedEx Corporation and International Paper.



# **TENNESSEE** INCUMBENT LOCAL EXCHANGE PROVIDERS 2002



- 1 Ardmore Telephone Company, Inc.
- 2 Bellsouth
- 3 Ben Lomand Rural Telephone Cooperative, Inc.
- 4 Bledsoe Telephone Cooperative Corporation
- 5 Century Telephone of Adamsville, Inc. (A)
- 6 Century Telephone of Claiborne, Inc. (A)
- 7 Century Telephone of Ooltewah, Inc. (A)
- 8 Frontier Communications
- 9 Concord Telephone Exchange, Inc. (B)

- 10 Crockett Telephone Company, Inc. (C)
- 11 DTC Communications
- 12 Highland Telephone Cooperative, Inc.
- 13 Humphreys County Telephone Company (B)
- 14 Loretto Telephone Company, Inc.
- 15 Millington Telephone Company, Inc.
- 16 North Central Telephone Cooperative Corporation
- 17 People's Telephone Company, Inc. (C)
- 18 Scott County Telephone Cooperative, Inc.

- 19 Skyline Telephone Cooperative, Inc.
- 20 Sprint
- 21 Tellico Telephone Company, Inc. (B)
- 22 Tennessee Telephone Company (B)
- 23 Twin Lakes Telephone Cooperative Corporation
- 24 United Telephone Company
- 25 West Kentucky Rural Telephone Cooperative Corporation, Inc.
- 26 West Tennessee Telephone Company, Inc. (C)
- 27 Yorkville Telephone Cooperative, Inc.

- Chattanooga
- Knoxville
- Memphis
- Nashville
- Sprint
- Other



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Compiled By: Ladd Engineering Associates, Inc.  
Lexington, Kentucky

Subsidiary Of: (A) Century Telephone (B) TDS Telecom (C) Telephone Electronics Corporation

**TAB 2**

**OVERVIEW OF THE TENNESSEE REGULATORY AUTHORITY**  
(The State's Public Service Commission)



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## Tennessee Regulatory Authority

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Nashville, TN 37243-0505



fax:(615) 741-5015  
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## Welcome

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### TRA Directors:

[Chairman Sara Kyle](#)

[Director Deborah Taylor Tate](#)

[Director Pat Miller](#)

[Director Ron Jones](#)

[Code of Ethical Conduct for the Directors](#)

### TRA Divisions:

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[Economic Analysis](#)

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[Gas Pipeline Safety](#)

[Information Systems](#)

[Legal](#)

[Telecommunications](#)

The mission of the Tennessee Regulatory Authority is to promote the public interest by balancing the interests of utility consumers and providers while facilitating the transition to a more competitive environment.

Established in 1996, the Tennessee Regulatory Authority (TRA) was created to meet the challenge of the changing telecommunications and utility environment. The TRA is charged with the responsibility of setting the rates and service standards of privately owned telephone, natural gas, electric and water utilities. ([Click here for a list of regulated utilities](#))

The TRA's leadership is established by the Governor and the two highest ranking members of the Tennessee General Assembly - the Lt. Governor and Speaker of the House. The Directors of the TRA include: Chairman Sara Kyle, who is the appointee of House Speaker Jimmy Naifeh. Director Deborah Taylor Tate, who is the appointee of Governor Don Sundquist. Director Pat Miller, who is the appointee of Lt. Governor John Wilder, and Director Ron Jones, who is the joint appointee of the Governor, Lt. Governor and House Speaker.

For information pertaining to documents filed with the TRA, please visit the [Electronic File Room](#). Within the electronic fileroom is information about our monthly conference agendas; dockets; TRA white paper reports; the agency's rules and guidelines; news releases and special comments filed with the FCC. For information about our history, our organizational structure and Divisions,

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please visit the [About the TRA](#) page. To contact us, visit the [Contact Us](#) link. It is on this page that you will find information on how to report a natural gas pipeline incident and how to file a consumer complaint.

 This page is  
best viewed with:

Vs. 4.0 and higher at 800x600 resolution

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## Sara Kyle

### Chairman

#### Tennessee Regulatory Authority

Sara Kyle was born in 1952 near the Tri-Cities area of Upper East Tennessee just a few days before her uncle, the late Frank G. Clement, was elected to his first of three terms as governor of Tennessee. She attended Lincoln Elementary in Kingsport, Tennessee, and after moving to Middle Tennessee, graduated from Dickson High School.

The daughter of Mr. and Mrs. Bruce Peery, she attended the University of Tennessee in Knoxville before graduating from Austin Peay State University and teaching elementary school in Clarksville. She attended graduate courses at Middle Tennessee State University while teaching. She received her law degree in 1987, the same year she married Senator Jim Kyle (D-Memphis). She practiced law in the same firm with her husband, and was an assistant public defender until she was elected to the Memphis City Court bench in 1991.

A member of a family with a proud tradition of public service in elective office, she has studied the ways government relates to its citizens and worked to make that government and its agencies and courts sensitive to the needs of its citizens.

Chairman Kyle resigned from the bench in March 1994 to become a candidate for the Public Service Commission -- a race in which she stressed a strong ethics and reform program as a way to restore public confidence in the commission. She was nominated on February 29, 1996 by House Speaker Jimmy Naifeh to become one of three members of the new Tennessee Regulatory Authority.

The Kyle's have four children and attend Second Presbyterian Church in Memphis. Long active in organizations promoting better government and public awareness, she is a member of the board of directors of the Frank G. Clement Foundation, a former member of the board of directors of the Memphis chapter of the YWCA, a member of the Memphis Downtown Kiwanis Club, Neighborhood Watch Association (board member), Memphis and Shelby County Immunization Council (board member), the Tennessee, American, and Memphis Bar Associations, the Tennessee Lawyers Association for Women, Association of

Women Attorneys, the League of Women Voters, Memphis Chapter and is a former Jaycee. Additionally, she is a member of the National Association of Regulatory Utility Commissioners (NARUC) Communications Committee, as well as the Past President of the Southeastern Association of Regulatory Utility Commissioners.



## Deborah Taylor Tate

### Director

#### Tennessee Regulatory Authority

Deborah Taylor Tate was appointed to serve a six-year term as a Director of the Tennessee Regulatory Authority on February 1, 2002 by Governor Don Sundquist, and confirmed by the Tennessee General Assembly prior to the term commencing on July 1<sup>st</sup>. Director Tate has a long and distinguished public service career, having recently served as Director of the State and Local Policy Center at Vanderbilt University.

Subsequent to her association at Vanderbilt, Tate served as an Assistant to the Governor and a member of his Senior Staff, and his designee to the Juvenile Justice Commission, the TennCare Partners Advisory Committee, and the Title 33 - Mental Health Revision Commission.

Tate holds B.A. and J.D. degrees from the University of Tennessee, and also attended Vanderbilt School of Law.

As a licensed attorney in the state of Tennessee, she is a Rule 31 Mediator approved by the Tennessee Supreme Court, and coordinated a plan to utilize alternative dispute resolution throughout 22 Executive departments including vehicle forfeiture, denial of state services, and disputes between departments. Her areas of private practice included juvenile & family law, probate & estate, where she often was appointed as Guardian ad litem for children and the elderly.

Tate has also served as Governor Sundquist's mental health policy advisor for statewide mental health issues. She was instrumental in the creation and implementation of a 9-point plan to resolve issues relative to services provided by TennCare. In this role, she also served as the Governor's appointee to the Title 33 Code Commission, which recently was enacted into law by the Tennessee General Assembly. A key component of this entire new mental health code is the addition of a separate chapter for children. Tate also served as the Governor's liaison to the Governor's Advisory Committee on TennCare Partners to monitor BHO compliance.

Other government roles for Tate have been as varied as oversight of multiple public relations

contracts, television, radio and print advertising to assisting in the development of numerous public-private partnerships to maximize public dollars, including the first Governor's Summit for Tennessee's Children and "BEST"- a behavioral violence prevention program for young pre-school children

Tate also served on the Senior Staff and as Assistant Legal Counsel to Governor Lamar Alexander, overseeing initiatives including the "Jobs for High School Graduates Program" and the "Tennesseans for Better Schools", a citizens lobby which was instrumental in passage of The Better Schools Plan.

On the University level, Tate has served on the faculty at Vanderbilt University School of Nursing, Jack C. Massey, Graduate School of Business at Belmont University, and a guest lecturer at the recently opened Diversity Institute, First Amendment Center.

Widely known as a leader in child and family issues, Tate is the founder and President of Renewal House, a recovery residence for crack cocaine mothers and their children. Her Board Service has included leadership positions on the Boards of the Vanderbilt Children's Hospital, Family and Children's Services, Junior League of Nashville, Martha O'Bryan Center Foundation, Court Appointed Special Advocates (CASA), League of Women Voters and an Elder at Westminster Presbyterian Church.

She is married to William H. Tate, a partner in the Law Firm of Ruth, Howard, Tate & Sowell and resides in Nashville with their three teenagers, Will, Taylor and Carlton Tate.

## Pat Miller

### Director

#### Tennessee Regulatory Authority

**Born** February 11, 1958, Nashville, TN. Married; two children. Catholic; B.A. degree Political Science, University of Tennessee, 1982, J.D., Nashville School of Law, 1988; Fiscal Analyst, Fiscal Review Committee 1987 to 1993; Legislative Liaison, Tennessee Supreme Court 1993 to 1997. Served as Chief of Staff to the Lt. Governor and Speaker of the Senate from 1997 to 2002. Appointed to a six-year term as a Director of the Tennessee Regulatory Authority.

*Revised 7/11/01*

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**Ron Jones**  
**Director**  
**Tennessee Regulatory Authority**

Director Ron Jones, a native of Harlem, New York, is the joint appointee of Governor Don Sundquist, House Speaker Jimmy Naifeh and Lieutenant Governor John Wilder.

The director's seat to which Director Jones was appointed was created to ensure that the Tennessee Regulatory Authority is composed of directors who are diverse in professional or educational background, ethnicity, geographic residency, heritage, perspective, and experience.

A 16 year veteran of utility regulation, Director Jones served ten years with the Tennessee Public Service Commission and the past six with the TRA. A financial analyst by training, he previously served as Senior Policy Advisor to former TRA Director Melvin Malone. He is attended St. John's University in New York and is a graduate of Tennessee State University in Nashville.

*Revised 7/1/02*

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# Tennessee Regulatory Authority



## Telecommunications Division



Welcome to the Telecommunications Division

*Joe Werner, Chief*  
615-741-2904 ext. 175  
*joe.werner(a)State.Tn.Us*

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### **Mission:**

The TRA's Telecommunications Division implements the policies of the Authority regarding the state's local exchange & long distance telephone companies. Traditional regulatory investigations, as well as new initiatives tailored to the emerging competitive marketplace, are conducted through the division's auspices. Under the leadership of Joe Werner, the TRA's largest division meets its regulatory responsibilities with a diversified staff of utility rate specialists, engineers, and research analysts.

The division conducts reviews of carriers seeking to provide telecommunications services. Investigations are routinely initiated to ensure that incumbent carriers are charging just and reasonable rates. Further, agreements between competing carriers to interconnect their networks are examined for compliance with applicable rules and statutes. With the passage of the Tennessee Telecommunications Act by the General Assembly in 1995, and the landmark, federal Telecommunications Act of 1996, the landscape of the telecommunications industry was forever altered. During these changing times, the Telecommunications Division will monitor this transition with a goal of fair, responsible regulation for all parties.

Glossary of Terms  
(leaves TRA site. TRA not responsible for content)

TN Area Code  
Information

TN Attorney General  
Opinion 01-036 (pdf)

List of CLECs (pdf)

List of ILECS (pdf)

List of IXCS  
(pdf)

CLEC & Reseller  
Application Package (pdf)

Shopping in the New  
Telecomm Marketplace

Tips for Lowering LD  
Telephone Bill

TN LATA & Metro  
Calling Area Maps (pdf)

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TAB 3

STATE 271 PROCEEDINGS IN TENNESSEE

The Tennessee Regulatory Authority considered the means of determining BellSouth's current compliance with the requirements of Section 271 of the Act, and the mechanisms for assuring continuing compliance in the context of three separate dockets: (1) Docket No. 01-00193, *Docket to Establish Generic Performance Measurements, Benchmarks and Enforcement Mechanisms For BellSouth Telecommunications, Inc.*, (2) Docket No. 01-00362, *Docket to Determine the Compliance of BellSouth Telecommunications, Inc.'s Operations Support Systems with State and Federal Regulations*, and (3) Docket No. 97-00309, *In Re: BellSouth Telecommunications, Inc.'s Entry into Long Distance (InterLATA) Service in Tennessee Pursuant to Section 271 of the Telecommunications Act of 1996*. These three proceedings, read in combination, form the basis for the TRA's support of BellSouth's present application with respect to the state of Tennessee.

## SECTION 271 PROCEEDING

*BellSouth Telecommunications, Inc.'s Entry Into Long Distance  
(InterLATA) Service in Tennessee Pursuant to Section 271 of the  
Telecommunications Act of 1996*  
Docket No. 97-00309

The TRA has taken its responsibilities under the Act seriously, devoting significant time and resources to the implementation of the requirements of the Act, and to the opening of the local telecommunications market in Tennessee to competition. On January 16, 1998, BellSouth filed its Notice of Filing of its SGAT and draft of the application to be filed with the FCC for interLATA authority. The TRA opened Docket No. 97-00309 to compile a record that would enable the TRA to assist the Commission in determining whether BellSouth should be permitted to provide in-region interLATA services in Tennessee. Following a discovery period and submission of pre-filed testimony, a hearing on the merits was held in May 1998. On April 8, 1999, BellSouth filed a Notice of Voluntary Dismissal without Prejudice and Withdrawal of Advance Notice of Section 271 Filing, which was accepted by the Directors on June 8, 1999. On May 30, 2001, BellSouth filed its Preliminary Notice of Filing and Request for Scheduling Conference and on July 30, 2001 filed its direct case. After substantial discovery, on April 26, 2002, BellSouth filed updated Direct Testimony and the matter was set for hearing beginning August 5, 2002. CLECs filed Testimony on July 12, 2002 and BellSouth filed its Reply Testimony on July 22, 2002. In the proceeding, BellSouth's compliance with checklist items 3, 7, 9 and 12 was not challenged. At a pre-hearing conference on July 30, 2002, the hearing officer requested that the parties try to reach a settlement of issues involved in the case. On August 8, 2002, the parties reached an agreement that, in lieu of a hearing, the case would be submitted to the Directors for their decision based on the record as of July 31, 2002. On August 26, 2002, after deliberating the merits of the case, the TRA Directors recommended unanimously that BellSouth's application to provide in-region interLATA service in Tennessee should be approved. A written order has not yet been issued; therefore, references to the Agenda decisions are cited as "*Transcript of Proceedings.*"<sup>1</sup>

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<sup>1</sup> See TRA *Transcript of Proceedings*, Docket No. 97-00309, August 26, 2002 ("*Transcript of Proceedings*").

Copies of the August 29, 2002 Order Approving Settlement Agreement, together with the Settlement Agreement itself, are attached. Also attached is a copy of the transcript of the TRA's August 26, 2002 deliberations.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**  
**August 29, 2002**

In Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance  
(InterLATA) Service in Tennessee Pursuant to Section 271 of the  
Telecommunications Act of 1996*

Docket No. 97-00309

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**ORDER APPROVING SETTLEMENT AGREEMENT**

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This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate, and Director Pat Miller, of the Tennessee Regulatory Authority ("Authority" or "TRA"), the voting panel assigned to this docket, during a Hearing that was continued from August 6 to August 7, 2002, for consideration of the Settlement Agreement entered into by the parties in this docket.

**Background**

On April 26, 2002 BellSouth submitted its third Section 271 filing to the Authority in this docket.<sup>1</sup> On May 8, 2002, Director Melvin Malone, serving as Pre-Hearing Officer, issued a Notice establishing a procedural schedule.<sup>2</sup> The parties proceeded with discovery pursuant to that Notice. On May 23, 2002, Pre-Hearing Officer

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<sup>1</sup> See 47 U.S.C. § 271.

<sup>2</sup> The terms of the former Directors of the Authority, Chairman Sara Kyle, and Directors H. Lynn Greer, Jr. and Melvin J. Malone, expired on June 30, 2002. Chairman Kyle was reappointed and commenced a new term as a Director of the Authority on July 1, 2002. Pursuant to the requirements of the amended provisions of Tenn. Code Ann. § 65-1-204, a three member voting panel consisting of Chairman Kyle and Directors Deborah Taylor Tate and Pat Miller was randomly selected and assigned to Docket No. 97-00309.

Malone issued another Notice directing the parties to reserve August 5 - 9, 2002 for the Hearing on the merits in this docket.

At a regularly scheduled Authority Conference held on July 23, 2002, the panel of Directors assigned to this docket voted unanimously to appoint Director Deborah Taylor Tate to act as Pre-Hearing Officer to prepare the docket for a hearing. A Pre-Hearing Conference was held on July 30, 2002. At the suggestion of the Pre-Hearing Officer, the parties initiated settlement negotiations. On July 30, 2002, the Pre-Hearing Officer issued a Notice informing the parties that the Hearing on the merits would commence on August 6, 2002. Immediately prior to the commencement of the Hearing, a Pre-Hearing Conference was convened on August 6 for the parties to report on the status of the settlement negotiations. At that time, the parties informed the Pre-Hearing Officer that the settlement negotiations were ongoing and requested additional time to continue with the negotiations. On August 7, 2002, the parties informed the Pre-Hearing Officer that they had reached a settlement agreement that would resolve matters of proof relating to the outstanding issues in this docket.

**August 7, 2002 Hearing and Authority Conference**

Immediately following the Pre-Hearing Conference on August 7, 2002, the Hearing in this matter was convened. Thereafter, Pre-Hearing Officer Tate informed the panel assigned to this docket that the parties had reached a proposed Settlement Agreement (attached hereto as Exhibit A). The parties then presented to the panel a summary of the Settlement Agreement and an explanation regarding how it affected this

docket and two other dockets: Docket No. 01-00362<sup>3</sup> and Docket No 01-00193.<sup>4</sup> The parties also informed the panel that a number of the parties in this docket, Docket No. 97-00309, had agreed to the Settlement Agreement, and those parties that did not join in the Settlement Agreement had either withdrawn from the proceedings or concurred in the parties' agreement to submit the case to the panel for a decision based on the current record without conducting the previously scheduled evidentiary Hearing.

BellSouth summarized the Settlement Agreement for the panel as follows. With regard to Docket No. 97-00309, the parties proposed that the record should be closed as of July 31, 2002 and the case be submitted to the Directors for resolution based on that record. The parties agreed that no additional testimony, argument, briefs or opposition would be filed in the docket. The parties requested that the TRA publicly deliberate Docket No. 97-00309 on August 26, 2002.

As to Docket No. 01-00362, the parties agreed that they would ask the TRA to administratively close the docket. In addition, the parties proposed that the closing of the docket would not prevent any party from filing a complaint with the TRA regarding BellSouth's Operational Support System ("OSS").<sup>5</sup> The parties requested that the TRA provide expedited treatment to such complaints. The parties agreed, however, that no such complaints would be filed prior to the entry of an order by the TRA reflecting the TRA's decision in Docket No. 97-00309.

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<sup>3</sup> *In re Docket to Determine the Compliance of BellSouth Telecommunications, Inc.'s Operations Support Systems with State and Federal Regulations*, Docket No. 01-00362.

<sup>4</sup> *Docket to Establish Generic Performance Measurements, Benchmarks and Enforcement Mechanisms for BellSouth Telecommunications, Inc.*, Docket No. 01-00193.

<sup>5</sup> "[T]he term OSS refers to the computer systems, databases, and personnel that incumbent carriers rely upon to discharge many internal functions necessary to provide service to their customers." *In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance*, FCC Docket No. 98-72, CC Docket No. 98-56; 13 FCC Rcd. 12,817 (released April 17, 1998) (*Notice of Proposed Rulemaking*) ¶9.

With regard to Docket No. 01-00193, the parties requested that the Authority adopt, as the Tennessee Performance Assurance Plan, the service quality measurements and self-effectuating enforcement mechanisms adopted by the Florida Public Service Commission on February 14, 2002, as they presently exist and are modified in the future. Under the Settlement Agreement, the Florida plan would be effectuated no later than December 1, 2002. The parties agreed not to seek amendments to the plan until December 1, 2003, after which the TRA at its discretion may conduct a review of the plan and the parties are free to recommend modifications. The parties agreed that in the interim prior to December 1, 2002 BellSouth may implement the Georgia Performance Plan and self-effectuating enforcement mechanisms. The parties also proposed that the TRA adopt the Tennessee performance measurements for special access that were included as Attachment B to the *Amended Final Order Granting Reconsideration and Clarification and Setting Performance Measurements, Benchmarks and Enforcement Mechanisms* issued on June 28, 2002. The parties agreed that if the Federal Communications Commission ("FCC") implements national standards, no party is estopped from requesting the TRA to supplant the performance standards in Attachment B with the FCC standards.

The parties also agreed that the competitive local exchange carriers ("CLECs") that are parties to Docket No. 97-00309 may request, via the filing of a complaint, that the TRA open a generic contested proceeding to address the provision of BellSouth's DSL service to CLEC voice customers and related OSS issues.<sup>6</sup> The parties agreed that

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<sup>6</sup> DSL is an acronym for digital subscriber line, a developing technology that uses ordinary copper telephone lines to deliver high-speed information, including audio, video and text.



BellSouth could raise any and all defenses to the CLECs' complaints. BellSouth agreed not to oppose expedited treatment of such complaints.

Finally, as a condition to the TRA's acceptance of the Settlement Agreement, the parties will not comment in the FCC proceeding on the fact that the TRA will not conduct further Hearings in Docket No. 97-00309 and will not raise this as a criticism of the TRA's recommendation to the FCC regarding BellSouth's § 271 application.

After BellSouth finished presenting this summary of the Settlement Agreement, BellSouth, Birch Telecom of the South, Inc., Ernest Communications, Inc., ITC DeltaCom, Inc., MCI WorldCom Communications, Inc., and its subsidiaries, MCImetro Access Services, Inc. and Brooks Fiber Communications of Tennessee, Inc., DIECA d/b/a Covad Communications, Inc. and Time Warner Telecom of the MidSouth, LP orally agreed on the record to the terms of the Settlement Agreement. The Consumer Advocate and Protection Division of the Office of the Attorney General and Reporter stated that while said Division was not a signatory, it is supportive of the Settlement Agreement. On the signature pages of the Settlement Agreement, XO Tennessee, Inc., Intermedia Communications, Inc., Southeastern Communications Carriers Association, ICG Telecom Group, Inc., US LEC of Tennessee, Inc. and American Communications Services, Inc. indicated that they had withdrawn from this proceeding. AT&T Communications of the South Central States, KMC Telecom III, Inc. and KMC Telecom IV, Inc. signed a separate document stating that they were not parties to the Settlement Agreement, but agreed that this matter be submitted to the Authority on the current record without further submissions or hearings.

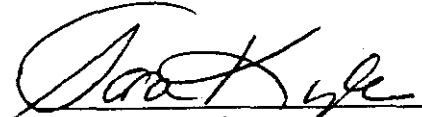
After considering the parties' statements, the panel in Docket No. 97-00309 unanimously voted to approve the Settlement Agreement on the condition that the panels in Docket No. 01-00362 and Docket No. 01-00193 accepted and approved those portions of the Settlement Agreement affecting those respective dockets. Shortly thereafter, the regularly scheduled Authority Conference that was continued from August 5 to August 7, 2002 reconvened and the panels in Docket No. 01-00193 and Docket No. 01-00362 both unanimously voted to accept the Settlement Agreement.

The panel in Docket No. 97-00309 then reconvened. After ascertaining that the respective panels in Docket No. 01-00193 and Docket No. 01-00362 had unanimously voted to accept the Settlement Agreement, the panel in Docket No. 97-00309 unanimously voted to accept the Settlement Agreement and to reconvene on August 26, 2002 to deliberate the merits of the issues raised in this docket.


**IT IS THEREFORE ORDERED THAT:**

1. The Settlement Agreement entered into by the parties in Docket No. 97-00309 and attached hereto as Exhibit A is accepted and approved.
2. Docket No. 97-00309 shall be reconvened on August 26, 2002 to deliberate the issues raised in this docket. The record for consideration in this docket shall be comprised of documents filed on or before July 31, 2002.

3. Any party aggrieved by this Order may file a Petition for Reconsideration with the Tennessee Regulatory Authority pursuant to Tenn. Comp. R. & Reg 1220-1-2-.20 within fifteen (15) days of the entry of this Order.

  
Sara Kyle, Chairman

  
Deborah Taylor Tate, Director

  
Pat Miller, Director

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

In Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance  
(InterLATA) Service in Tennessee Pursuant to Section 271 of  
the Telecommunications Act of 1996*

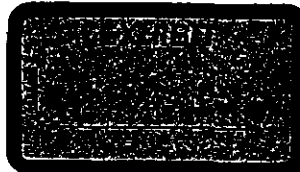
Docket No. 97-00309

SETTLEMENT AGREEMENT

In Docket No. 97-00309, the undersigned parties and BellSouth agree to the following:

1. The record in Docket No. 97-00309 will be closed as of July 31, 2002. No party will submit any further testimony, documentary evidence, argument, briefs, or opposition in this docket for consideration of the Tennessee Regulatory Authority. All of the parties agree to submit this case to the Directors for consideration and determination on its merits based on the existing record. The parties request that the Authority hold its public deliberations at a special session on August 26, 2002.

The parties agree that ~~Docket No. 01-00362 shall remain open for issues related to the~~ should be closed but the undersigned parties agree that this will not prevent any party performance of BellSouth's operational support systems. This docket from filing a complaint with the TRA ~~regarding~~ regarding BellSouth's OSS and in such case all parties will urge the TRA ~~shall not be used for challenges to BellSouth's compliance with 47 U.S.C. 5271(c).~~ to resolve such 00362 prior to entry of an order by the TRA reflecting the TRA's complain on an expedited basis



decision whether or not to recommend approval of BellSouth's 271 application.

3. In resolution of the contested issues in Docket 01-00193, the parties will request the Authority to adopt as the "Tennessee Performance Assurance Plan" the identical service quality measurement plan and self-effectuating enforcement mechanism adopted by the Florida Public Service Commission in Docket No. 000121-TP on February 14, 2002, as it exists today and as it may be modified in the future, plus the Tennessee Performance Measurements for Special Access contained in the Order Setting Performance Measurements, Benchmarks and Enforcement Mechanisms issued in this docket on June 28, 2002, as set forth in exhibit B to that order. If the FCC adopts national special access measurements, the parties reserve the right to argue to the TRA as to whether the FCC measures should supercede the Tennessee Measurements. The parties agree that the "Tennessee Performance Assurance Plan" will become effective no later than December 1, 2002. The parties further agree that until the "Tennessee Performance Assurance Plan" is implemented, BellSouth can use, on an interim basis, the "Georgia Performance Plan" approved by the FCC in BellSouth's Georgia/Louisiana 271 application. The parties agree that the "Tennessee Performance Assurance Plan," as defined above, shall continue until at least December 1, 2003, at

which time the Authority at its discretion may conduct a review of the then-existing plan, accept recommendations from interested parties, and make any appropriate modifications.

4. The CLECs may request that the TRA open a generic contested case proceeding to address expeditiously the issue of BellSouth's provision of DSL service to CLEC voice customers and related OSS issues. BellSouth may raise any and all defenses to such complaint. Bellsouth will not oppose expedited treatment of such complaint.
5. This agreement is solely for the purpose of settling this docket in Tennessee. Nothing in this agreement restricts the right of any party to take a contrary position in any other forum. The intervening parties and BellSouth agree that the fact that this case was resolved without further hearings will not be used as a basis for opposing Bellsouth's Tennessee 271 application at the FCC or for criticizing the TRA's recommendation of BellSouth's 271 application at the FCC. In the event that the TRA declines to act consistently with any portion of this agreement, then the agreement shall be void and shall in no manner be binding upon any party to this agreement.

BELLSOUTH TELECOMMUNICA-  
TIONS, INC.

By: [Signature]

Its: General Counsel - TTN

XO TENNESSEE, INC.

By: Withdrawn  
[Signature]

Its: ally

TIME WARNER TELECOM OF THE  
MID-SOUTH, LP; NEW SOUTH  
COMMUNICATIONS CORP.

By: [Signature]

Its: Attorney

MCI WORLDCOM, INC.; MCI metro  
ACCESS TRANSMISSION SERVICES,  
LLC; BROOKS FIBER COMMUNI-  
CATIONS OF TENNESSEE, INC.

By: [Signature]

Its: Attorney

INTERMEDIA COMMUNICATIONS,  
INC.

By: Withdrawn  
[Signature]

Its: ally

DIECA d/b/a COVAD COMMUNICA-  
TIONS COMPANY

By: [Signature]  
William H. JESSEL

Its: VICE PRESIDENT, EXTERNAL AFFAIRS

ICG TELECOM GROUP, INC.

By: Withdrawn  
[Signature]

Its: \_\_\_\_\_

SOUTHEASTERN COMPETITIVE  
CARRIERS ASSOCIATION

By: Withdrawn  
[Signature]

Its: attorney

SPRINT COMMUNICATIONS, LP

NOT PRESENT  
DURING HEARING  
DATES

By: \_\_\_\_\_

Its: \_\_\_\_\_

QWEST f/k/a LCI INTERNATIONAL  
TELECOM CORP.

By: JUST MONITORING

Its: H. [Signature]

BELLSOUTH LONG DISTANCE, INC.

KMC TELECOM III, INC.;  
KMC TELECOM IV, INC.

NOT PARTY TO AGREEMENT;  
SEE STATEMENT IN

By: Hank Anthony [Signature]

By: RELOD + PAGE 7  
OF THIS AGREEMENT

Its: General Counsel

Its: H. [Signature]

COMMUNICATIONS WORKERS OF  
AMERICA

NOT PRESENT DURING  
HEARING DATES

By: \_\_\_\_\_

Its: \_\_\_\_\_

SBC TELECOM

By: Just monitoring

Its: \_\_\_\_\_

ASSOCIATION OF COMMUNICA-  
TIONS ENTERPRISES

NOT PRESENT  
DURING  
HEARING DATES

By: \_\_\_\_\_

Its: \_\_\_\_\_

ITC^DELTACOM

By: [Signature]

Its: [Signature]



US LEC OF TENNESSEE, INC.

*Withdrawn*

By: *of by W. W. W.*

Its: *attorney*

AMERICAN COMMUNICATIONS  
SERVICES, INC.

*Withdrawn*

By: *of by W. W. W.*

Its: *attorney*

BIRCH TELECOM OF THE SOUTH,  
INC.

By: *W. W. W.*

Its: *attorney*

ERNEST COMMUNICATIONS, INC.

By: *W. W. W.*

Its: *attorney*

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
Nashville, Tennessee

In Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance  
(InterLATA) Service in Tennessee Pursuant to Section 271 of  
the Telecommunications Act of 1996*

Docket No. 97-00309

AT&T is not a party to this agreement, but AT&T will agree that this matter  
may be submitted to the Authority on the current record without further  
submissions or hearings.

AGREED TO:

AT&T COMMUNICATIONS OF THE SOUTH  
CENTRAL STATES, LLC; TCG MIDSOUTH,  
INC.

By: MA [Signature]

Its: Counsel

KMC TELECOM TAKES THE SAME POSITION AS AT&T.  
KMC TELECOM III, INC. +  
KMC TELECOM IV, INC.

by: H. [Signature]  
ITS COUNSEL